Multiple Agency Fiscal Note Summary

Bill Number: 5091 E 2S SB	Title: Special education funding
---------------------------	----------------------------------

Estimated Cash Receipts

Agency Name	201	19-21	2021	-23	2023-	-25
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Auditor	(8,100	0	0	0	0
To	otal \$	8,100	0	0	0	0

Local Gov. Courts			
Loc School dist-SPI	119,968,000	136,395,150	138,266,000
Local Gov. Other			
Local Gov. Total			

Estimated Operating Expenditures

Agency Name		2019-21			2021-23			2023-25	
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Auditor	.0	0	8,100	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	119,605,950	119,968,000	.0	135,943,500	136,395,150	.0	137,810,000	138,266,000
Total \$	0.0	119,605,950	119,976,100	0.0	135,943,500	136,395,150	0.0	137,810,000	138,266,000

Local Gov. Courts						
Loc School dist-SPI		119,968,000		136,395,150		138,266,000
Local Gov. Other						
Local Gov. Total						

Estimated Capital Budget Expenditures

Agency Name		2019-21			2021-23			2023-25	
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Auditor	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by:	Cynthia Hollimon, OFM	Phone:	Date Published:
		(360) 902-0562	Final 3/19/2019

Individual State Agency Fiscal Note

Bill Number: 5091 E 2S SB	Title:	Special education fund	ding	Agen	cy: 095-Office of Auditor	State
Part I: Estimates						
No Fiscal Impact						
Estimated Cash Receipts to:						
ACCOUNT		FY 2020	FY 2021	2019-21	2021-23	2023-25
Municipal Revolving			8,100	8,100		
Account-Non-Appropriated	413-6 Total \$		8,100	8,100		
	10121 \$		8,100	6,100	<u> </u>	
Estimated Operating Expenditure	s from:					
		FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years Account		0.0	0.1	0.0	0.0	0.0
Municipal Revolving		0	8,100	8,100	0	(
Account-Non-Appropriated				·		
413-6	Total \$	0	8,100	8,100	0	(
The cash receipts and expenditure e and alternate ranges (if appropriate Check applicable boxes and follows)	e), are explained in	Part II.	ly fiscal impact. Facto	ors impacting the precis	ion of these estimates,	
If fiscal impact is greater that form Parts I-V.	in \$50,000 per fise	cal year in the current	biennium or in subse	equent biennia, comp	lete entire fiscal note	
X If fiscal impact is less than S	\$50,000 per fiscal	year in the current bie	ennium or in subsequ	nent biennia, complet	e this page only (Part	Ι).
Capital budget impact, com	plete Part IV.					
Requires new rule making,	complete Part V.					
Legislative Contact: Jeffre	y Naas		Ph	none: 360-786-7708	Date: 03/1	1/2019
Agency Preparation: Janel	Roper		Ph	none: 360-725-5600	Date: 03/1	19/2019
Agency Approval: Janel	Roper		Ph	none: 360-725-5600	Date: 03/1	19/2019
OFM Review: Ramo	na Nahors		Ph	none: (360) 902-054	7 Date: 03/1	19/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 5 (4) (a) Requires the state auditor to conduct a financial or accountability audit of school districts by June 1, 2020 for the 2018-19 school year to include special education revenues and sources of those revenues by school district and special education expenditures by object by school district. This information must be submitted to the legislature by December 1, 2020.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Since the bill didn't specify a funding source we assume that cash receipts will be collected into the Municipal Revolving Account which is consistent with local government financial and accountability work.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Our internal IT Audit team would develop a query to include revenues, sources of revenues as well as expenditures by object. Our School Programs team would develop this data into the final report. We estimate approximately 81 hours of work involved.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
413-6	Municipal Revolving	Non-Appr	0	8,100	8,100	0	0
	Account	opriated					
	-	Total \$	0	8,100	8,100	0	0

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.1	0.0		
A-Salaries and Wages		5,388	5,388		
B-Employee Benefits		1,965	1,965		
C-Professional Service Contracts					
E-Goods and Other Services		747	747		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	8,100	8,100	0	

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Admn/Clerical/Mgmt	68,200		0.0	0.0		
Audit staff	83,556		0.0	0.0		
Total FTEs			0.1	0.0		0.0

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Estimated Operating Expenditures from: FY 2020	ction	cy: 350-Superinte Public Instruct	Agen	nding	Special education fur	Title:	:: 5091 E 2S SB	ill Number:
Estimated Cash Receipts to: NONE Estimated Operating Expenditures from: FY 2020							stimates	art I: Estir
Estimated Operating Expenditures from: FY 2020							iscal Impact	No Fisca
Estimated Operating Expenditures from: FY 2020 FY 2021 2019-21 2021-23 Account							Cash Receipts to:	stimated Cash
Account General Fund-State 001-1 53,606,750 65,999,200 119,605,950 135,943,500 WAN Opportunity Pathways Account-State 17f-1 Total \$ 53,754,000 66,214,000 119,968,000 136,395,150 The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II. Check applicable boxes and follow corresponding instructions: X If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal not form Parts I-V. Gapital budget impact, complete Part IV. Requires new rule making, complete Part IV.							NE	NONE
Account General Fund-State 001-1 53,606,750 65,999,200 119,605,950 135,943,500 WAN Opportunity Pathways Account-State 17f-1 Total \$ 53,754,000 66,214,000 119,968,000 136,395,150 The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II. Check applicable boxes and follow corresponding instructions: X If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal not form Parts I-V. Gapital budget impact, complete Part IV. Requires new rule making, complete Part IV.						m:	Operating Expenditures fro	stimated Oper
General Fund-State 001-1 53,606,750 65,999,200 119,605,950 135,943,500 WA Opportunity Pathways 147,250 214,800 362,050 451,650 Account-State 17f-1 Total \$ 53,754,000 66,214,000 119,968,000 136,395,150 Total \$ 53,754,000 66,214,000 119,968,000 136,395,150 Total \$ 53,754,000 66,214,000 119,968,000 136,395,150 The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II. Check applicable boxes and follow corresponding instructions: If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal not form Parts I-V. If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part Capital budget impact, complete Part IV. Requires new rule making, complete Part V.	2023-25	2021-23	2019-21	FY 2021	FY 2020	·	r g r	
WA Opportunity Pathways Account-State 17f-1 Total S 53,754,000 66,214,000 119,968,000 136,395,150 The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II. Check applicable boxes and follow corresponding instructions: If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal not form Parts I-V. If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part Capital budget impact, complete Part IV. Requires new rule making, complete Part V.								Account
The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II. Check applicable boxes and follow corresponding instructions: If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal not form Parts I-V. If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part Capital budget impact, complete Part IV. Requires new rule making, complete Part V.	137,810,000	135,943,500	119,605,950	65,999,200	53,606,750		and-State 001-1	General Fund-
The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II. Check applicable boxes and follow corresponding instructions: If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal not form Parts I-V. If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part Capital budget impact, complete Part IV. Requires new rule making, complete Part V.	456,000	451,650	362,050	214,800	147,250		-	
The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II. Check applicable boxes and follow corresponding instructions: If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal not form Parts I-V. If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part IV.) Capital budget impact, complete Part IV. Requires new rule making, complete Part V.	138,266,000	136 395 150	119 968 000	66 214 000	53 754 000	Total \$	tate 17f-1	Account-State
and alternate ranges (if appropriate), are explained in Part II. Check applicable boxes and follow corresponding instructions: X If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal not form Parts I-V. If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part Capital budget impact, complete Part IV. Requires new rule making, complete Part V.		,,	,,					
Check applicable boxes and follow corresponding instructions: X If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal not form Parts I-V. If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part Capital budget impact, complete Part IV.) Requires new rule making, complete Part V.								
form Parts I-V. If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part Capital budget impact, complete Part IV. Requires new rule making, complete Part V.		ion of these estimates,	ors impacting the precis	ely fiscal impact. Fac		-		
If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Par Capital budget impact, complete Part IV. Requires new rule making, complete Part V.		ion of these estimates,	ors impacting the precis	ely fiscal impact. Fac	in Part II.	e explained i	nate ranges (if appropriate), ar	and alternate
Requires new rule making, complete Part V.	ı				in Part II. ng instructions:	e explained i	nate ranges (if appropriate), ar plicable boxes and follow c cal impact is greater than \$5	and alternate Check application If fiscal is
		lete entire fiscal note	equent biennia, comp	t biennium or in sub	in Part II. ng instructions: fiscal year in the curren	e explained in explained in explained in exponding the explained in explain the explained in explain the explained in expl	nate ranges (if appropriate), ar plicable boxes and follow c cal impact is greater than \$5 Parts I-V.	and alternate Check application If fiscal is form Part
Lacialativa Contacts Laffray Need District Distri		lete entire fiscal note	equent biennia, comp	t biennium or in sub	in Part II. ng instructions: fiscal year in the curren	e explained in presponding 0,000 per f	plicable boxes and follow cotal impact is greater than \$5 Parts I-V.	and alternate Check applic. X If fiscal i form Part If fiscal i
Legislative Contact: Jeffrey Naas Phone: 360-786-7708 Date: 03/		lete entire fiscal note	equent biennia, comp	t biennium or in sub	in Part II. ng instructions: fiscal year in the curren cal year in the current b	e explained in presponding of the contract of	plicable boxes and follow cotal impact is greater than \$5 Parts I-V. cal impact is less than \$50,0 tal budget impact, complete	and alternate Check application If fiscal is form Part If fiscal is Capital by
		lete entire fiscal note e this page only (Part	equent biennia, comp	t biennium or in sub	in Part II. ng instructions: fiscal year in the curren cal year in the current b	e explained in presponding 0,000 per fiscus part IV.	plicable boxes and follow contains and follows are seen as follows. The following follows are seen and follows and follows are seen and follows and follows are seen and follows are seen and follows and follows are seen and follows as a seen as a seen as a seen and follows are seen as a seen as a seen and follows are seen as a see a seen as a seen a	and alternate Check application If fiscal in form Part If fiscal in Capital in Requires
Agency Approval: TJ Kelly Phone: 360 725-6301 Date: 03.	t I).	lete entire fiscal note e this page only (Part Date: 03/1	equent biennia, completuent biennia, complet	t biennium or in subsectionnium or in subsection	in Part II. ng instructions: fiscal year in the curren cal year in the current b	e explained in presponding 0,000 per fiscus part IV.	plicable boxes and follow contains and follow	and alternate Check applies If fiscal if form Part If fiscal if Capital to Requires Legislative C

Cynthia Hollimon

OFM Review:

Date: 03/14/2019

Phone: (360) 902-0562

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

REVISION: E2SSB modifies section 5 SAO reporting and adds institutional education enrollment to the section 4 special education formula.

Substitute Bill updates language in section 2(5) to read: Federal special education allocations MAY BE used to provide professional development to classified and certificated staff. Revisions have no fiscal impact to original note.

Section 1 States it is the legislature intent for the state to fund districts at the current funding structure with enhancements and collect data to see if an alternate funding structure may be necessary.

Section 2(1) of the bill limits safety net awards to state funding only. Removal of subsection (1)(b) eliminates requirement that superintendent expends all available federal discretionary funds to meet the needs of safety net.

Section 2(2)(a) directs committee to consider demonstration of fiscal need when all legitimate expenditures for special education exceed all available revenues from state basic education formulas when determining awards.

Section 2(2)(d) Modifies language, 'services for eligible students' to 'students eligible for special education'.

Section 2(2)(e) Modifies language, 'individual special education' student to students 'with disabilities under the individuals with disabilities act'.

Section 2(2)(g) Modifies language, 'individual special education' students to students 'with disabilities under the individuals with disabilities act' and specifies 'secondary' program of education.

Section 2(2)(k) Determines the average per pupil expenditures to be calculated using prior year special education expenditures differentiated by salary factor tier, starting in 2019-20.

Section 2(6) Removes federal funding from the safety net appropriations beginning in fiscal year 2020, thereby eliminating the federal expenditure ratio requirement (i.e., threshold).

Section 3(2) OSPI shall calculate each school district's professional learning allocation as separate from salaries and benefits as specified in RCW 28A.150.410.

Section 3(5) Appropriations for newly funded professional learning days may be used to include federal special education allocations.

Section 4(2)(b) Changes the district's special education multiplier from 0.9609 to 1.0.

Section 4(2)(c) Adds Institutional Education Special Education FTE to the district special education formula.

Section 4(4) States that districts must distribute the allocation provided under subsection 2(c) of this section to the institutional program that generates the funding.

Section 5 The state auditor (SAO) must conduct a financial or accountability audit of each school district by June 1, 2020 for the 2018-19 school year to include a review of SpEd revenues and sources of those revenues and expenditures and object of those expenditures. Data must be submitted to the education committees by December 1, 2020.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

none

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

For purposes of costing this bill, OSPI used school year 2017-18 safety net awards and SY 2017-18 Special Education expenditures. OSPI assumed safety net will continue to be calculated using a threshold of 2.7 times average per pupil expenditures (APPE). Costs are inflated each year by safety net's rolling three year rolling average increase and caseload assumptions. See attached table 1 for impact of change to state funds with removal of federal funding (section 1-3).

See attached Table 2 for the 6 year impact to the special education multiplier enhancement moving from 0.9609 to 1.0.

For costing purposes, OSPI assumes an estimated 35% of institutional education students would need funding enhancement for special needs. Each of these students would generate an additional allocation of approximately \$8,973 per FTE in SY 2019-20 at a 1.0 SpEd BEA multiplier. Please see attached table 2 for the 6 year impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	53,606,750	65,999,200	119,605,950	135,943,500	137,810,000
17f-1	WA Opportunity Pathways Account	State	147,250	214,800	362,050	451,650	456,000
		Total \$	53,754,000	66,214,000	119,968,000	136,395,150	138,266,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	53,754,000	66,214,000	119,968,000	136,395,150	138,266,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	53,754,000	66,214,000	119,968,000	136,395,150	138,266,000

Bill # 5091 E 2S SB

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

School Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
				2%	2%	2%	2%	29
A. Current Law (State)	\$38,596,459	\$56,220,000	\$69,510,762	\$71,449,611	\$73,433,053	\$75,462,114	\$77,537,844	\$79,661,315
B. Current Law (Federal)	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000
Total Current Law (A + B)	\$53,383,459	\$71,007,000	\$84,297,762	\$86,236,611	\$88,220,053	\$90,249,114	\$92,324,844	\$94,448,315
C. SB 5091 (State only)	\$53,383,459	\$71,007,000	\$84,297,762	\$86,236,611	\$88,220,053	\$90,249,114	\$92,324,844	\$94,448,315
Change in Total Safety Net Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in State Funding (C-A)*	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000
*Any federal funding backfilled by these additional								
state dollars will still be distributed to districts as		Fiscal Year	2020	2021	2022	2023	2024	2025
federal special education funding.		SB 5091	\$0	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000
rederal special education fulfullig.		Biennium	\$14,78	7 000	\$29,574	000	\$29,574	4 000

School Year		2019-20		2020-21		2021-22		2022-23		2023-24		2024-25	
Safety Net (increase to State funding)	\$	14,787,000	\$	14,787,000	\$	14,787,000	\$	14,787,000	\$	14,787,000	\$	14,787,000	
Special Education Multiplier	\$	47,250,000	\$	48,671,000	\$	49,919,000	\$	51,162,000	\$	51,162,000	\$	51,162,000	
Institutional Education Multiplier	\$	3,030,000	\$	3,089,000	\$	3,138,000	\$	3,184,000	\$	3,184,000	\$	3,184,000	
Total School Year	\$	65,067,000	\$	66,547,000	\$	67,844,000	\$	69,133,000	\$	69,133,000	\$	69,133,000	
General Fund	\$	64,877,000	\$	66,325,000	\$	67,619,000	\$	68,905,000	\$	68,905,000	\$	68,905,000	
Opportunities Pathway	\$	190,000	\$	222,000	\$	225,000	\$	228,000	\$	228,000	\$	228,000	
et a l.v.	Г	2020	1	2024		2022		2022		2024		2025	
Fiscal Year		2020		2021		2022		2023		2024		2025	
General Fund	\$	53,606,750	\$	65,999,200	\$	67,327,850	\$	68,615,650	\$	68,905,000	\$	68,905,000	
Opportunities Pathway	\$	147,250	\$	214,800	\$	224,325	\$	227,325	\$	228,000	\$	228,000	
Total Fiscal Year	\$	53,754,000	\$	66,214,000	\$	67,552,175	\$	68,842,975	\$	69,133,000	\$	69,133,000	
Biennium	201		19-2	19-21		202:		1-23		2023		3-25	
Total Biennium	\$			119,968,000	\$		1	136,395,150	\$			138,266,000	

Individual State Agency Fiscal Note

Bill Number: 5091 E 2S SB	Title: S	pecial education fund	ing	Agei	SDF-School D Note - SPI	ristrict Fiscal
Part I: Estimates						
No Fiscal Impact						
Estimated Cash Receipts to:						
ACCOUNT		FY 2020	FY 2021	2019-21	2021-23	2023-25
School District Local-Private/Local New-7		53,754,000	66,214,00	0 119,968,000	136,395,150	138,266,000
	Total \$	53,754,000	66,214,00	0 119,968,000	136,395,150	138,266,000
Estimated Operating Expenditures 	rom:					
		FY 2020	FY 2021	2019-21	2021-23	2023-25
Account School District Local-Private/Local		53,754,000	66,214,000	119,968,000	136,395,150	138,266,000
NEW-7	Total \$	53,754,000	66,214,000	119,968,000	136,395,150	138,266,000
The cash receipts and expenditure est and alternate ranges (if appropriate),	1 0		y fiscal impact. Fact	ors impacting the preci.	sion of these estimates,	
Check applicable boxes and follow	corresponding in	nstructions:				
If fiscal impact is greater than form Parts I-V.	\$50,000 per fisca	ll year in the current b	piennium or in subs	equent biennia, com	plete entire fiscal note	
If fiscal impact is less than \$5	0,000 per fiscal y	rear in the current bier	nnium or in subseq	uent biennia, comple	te this page only (Part	I).
Capital budget impact, comple	ete Part IV.					
Requires new rule making, co	mplete Part V.					
Legislative Contact: Jeffrey	Naas		P	hone: 360-786-7708	Date: 03/1	1/2019
Agency Preparation: Michell	e Matakas		P	hone: 360 725-6019	Date: 03/1	4/2019
Agency Approval: TJ Kell	y		P	hone: (360) 725-630	Date: 03/1	4/2019

Cynthia Hollimon

OFM Review:

Date: 03/15/2019

Phone: (360) 902-0562

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

REVISION: E2SSB modifies section 5 SAO reporting and adds institutional education enrollment to the section 4 special education formula.

Substitute Bill updates language in section 2(5) to read: Federal special education allocations MAY BE used to provide professional development to classified and certificated staff. Revisions have no fiscal impact to original note.

Section 1 States it is the legislature intent for the state to fund districts at the current funding structure with enhancements and collect data to see if an alternate funding structure may be necessary.

Section 2(1) of the bill limits safety net awards to state funding only. Removal of subsection (1)(b) eliminates requirement that superintendent expends all available federal discretionary funds to meet the needs of safety net.

Section 2(2)(a) directs committee to consider demonstration of fiscal need when all legitimate expenditures for special education exceed all available revenues from state basic education formulas when determining awards.

Section 2(2)(d) Modifies language, 'services for eligible students' to 'students eligible for special education'.

Section 2(2)(e) Modifies language, 'individual special education' student to students 'with disabilities under the individuals with disabilities act'.

Section 2(2)(g) Modifies language, 'individual special education' students to students 'with disabilities under the individuals with disabilities act' and specifies 'secondary' program of education.

Section 2(2)(k) Determines the average per pupil expenditures to be calculated using prior year special education expenditures differentiated by salary factor tier, starting in 2019-20.

Section 2(6) Removes federal funding from the safety net appropriations beginning in fiscal year 2020, thereby eliminating the federal expenditure ratio requirement (i.e., threshold).

Section 3(2) OSPI shall calculate each school district's professional learning allocation as separate from salaries and benefits as specified in RCW 28A.150.410.

Section 3(5) Appropriations for newly funded professional learning days may be used to include federal special education allocations.

Section 4(2)(b) Changes the district's special education multiplier from 0.9609 to 1.0.

Section 4(2)(c) Adds Institutional Education Special Education FTE to the district special education formula.

Section 4(4) States that districts must distribute the allocation provided under subsection 2(c) of this section to the institutional program that generates the funding.

Section 5 The state auditor (SAO) must conduct a financial or accountability audit of each school district by June 1, 2020 for the 2018-19 school year to include a review of SpEd revenues and sources of those revenues and expenditures and object of those expenditures. Data must be submitted to the education committees by December 1, 2020.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

School district cash receipts will equal state expenditures. For detail on changes in revenue, see the state expenditure narrative.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

District expenditures will equal revenue.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
NEW-7	School District Local	Private/Lo	53,754,000	66,214,000	119,968,000	136,395,150	138,266,000
		cal					
		Total \$	53,754,000	66,214,000	119,968,000	136,395,150	138,266,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	53,754,000	66,214,000	119,968,000	136,395,150	138,266,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	53,754,000	66,214,000	119,968,000	136,395,150	138,266,000

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Bill # 5091 E 2S SB

School Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
				2%	2%	2%	2%	29	
A. Current Law (State)	\$38,596,459	\$56,220,000	\$69,510,762	\$71,449,611	\$73,433,053	\$75,462,114	\$77,537,844	\$79,661,315	
B. Current Law (Federal)	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	
Total Current Law (A + B)	\$53,383,459	\$71,007,000	\$84,297,762	\$86,236,611	\$88,220,053	\$90,249,114	\$92,324,844	\$94,448,315	
C. SB 5091 (State only)	\$53,383,459	\$71,007,000	\$84,297,762	\$86,236,611	\$88,220,053	\$90,249,114	\$92,324,844	\$94,448,315	
Change in Total Safety Net Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Change in State Funding (C-A)*	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	
*Any federal funding backfilled by these additional									
state dollars will still be distributed to districts as		Fiscal Year	2020	2021	2022	2023	2024	2025	
		SB 5091	\$0	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	\$14,787,000	
federal special education funding.		Biennium	\$14,78	7.000	\$29,574	.000	\$29,574,000		

Table 2 - 2SSB 5091 Safety Net and Special Edu	uca	•	1 30				_					
School Year		2019-20		2020-21		2021-22		2022-23		2023-24		2024-25
Safety Net (increase to State funding)	\$	14,787,000	\$	14,787,000	\$	14,787,000	\$	14,787,000	\$	14,787,000	\$	14,787,000
Special Education Multiplier	\$	47,250,000	\$	48,671,000	\$	49,919,000	\$	51,162,000	\$	51,162,000	\$	51,162,000
Institutional Education Multiplier	\$	3,030,000	\$	3,089,000	\$	3,138,000	\$	3,184,000	\$	3,184,000	\$	3,184,000
Total School Year	\$	65,067,000	\$	66,547,000	\$	67,844,000	\$	69,133,000	\$	69,133,000	\$	69,133,000
General Fund	\$	64,877,000	\$	66,325,000	\$	67,619,000	\$	68,905,000	\$	68,905,000	\$	68,905,000
Opportunities Pathway	\$	190,000	\$	222,000	\$	225,000	\$	228,000	\$	228,000	\$	228,000
Fiscal Year		2020		2021		2022		2023		2024		2025
General Fund	\$	53,606,750	\$	65,999,200	\$	67,327,850	\$	68,615,650	\$	68,905,000	\$	68,905,000
Opportunities Pathway	\$	147,250	\$	214,800	\$	224,325	\$	227,325	\$	228,000	\$	228,000
Total Fiscal Year	\$	53,754,000	\$	66,214,000	\$	67,552,175	\$	68,842,975	\$	69,133,000	\$	69,133,000
Biennium	20:		19-2	19-21		2021		1-23		2023-25		
Total Biennium	\$			119,968,000	\$		1	136,395,150	\$			138,266,000